

WITHDRAWAL SHEET

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Collection: Baker, Howard H. Jr.: Files

OA/Box: Box 4

File Folder: [Tower Board: 12/07/1985 White House Meeting] (1)

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FOIA ID: F1997-066/6, D. Cohen

Date: 08/10/2004

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	William Lytton to Arthur Culvahouse re 12/7/85 meeting, 5p <i>R 3/17/06 F97-066/6 # 194</i>	7/17/87	B1
2. transcript	re Tower Board interview (pp. 16-17 only) (draft), 2p <i>R " " " #195</i>	2/11/	B1
3. transcript	re Tower Board interview (pp. 13-14 only) (w/notations), 2p <i>R " " " #196</i>	1/26/-	B1
4. transcript	re 1/22/87 Tower Board interview (pages 1 and 31-35 only, w/notations), 6p	n.d.	B1
5. transcript	re 1/14/87 Tower Board interview (pp. 1 and 9-13 only, w/notations), 6p	n.d.	B1
6. transcript	re Tower Board interview (pp. 14-16 only, w/notations), 3p <i>R 3/17/06 F97-066/6 # 199</i>	n.d.	B1
7. transcript	re 3/3/87 deposition before the Senate Select Committee (cover page + pp. 57-59 only, w/notations), 4p	n.d.	B1
8. transcript	re 1/6/87 Tower Board interview (pages 1 and 11-13 only, w/notations), 4p <i>R 3/17/06 F97-066/6 # 201</i>	n.d.	B1

RESTRICTIONS

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PENDING REVIEW IN ACCORDANCE WITH E.O. 13233

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File Folder [TOWER BOARD: 12/07/1985 WHITE HOUSE MEETING]
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FOIA
F97-066/6

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3	TRANSCRIPT	RE TOWER BOARD INTERVIEW (PP 13-14 ONLY) (F97-066/6 #196)	2	ND
6	TRANSCRIPT	RE TOWER BOARD INTERVIEW (PP 14-16 ONLY) (F97-066/6 #199)	3	ND

5/20/09 *WJ*

THE WHITE HOUSE

WASHINGTON

July 17, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: WILLIAM B. LYTTON III

SUBJECT: DECEMBER 7, 1985 MEETING

On Saturday, December 7, 1985, there was a meeting from 10:00 am to 11:58 am in the Residence at the White House. In attendance were the President (in pajamas and a bathrobe), Secretary Shultz, Secretary Weinberger, Deputy Director of Central Intelligence McMahon, Robert McFarlane, John Poindexter and Don Regan.

No contemporaneous notes were, to our knowledge, taken. However, Secretary Shultz and Secretary Weinberger "backbriefed" their assistants who in turn made some notes.

Under discussion was the status of the strategic opening to Iran: the efforts of the Iranians to have the hostages released and the United States supplying, either directly or indirectly, arms to Iran. McFarlane met a few days afterwards with Ghorbanifar in London.

The notes of Shultz's aide, Charles Hill, reflect that Shultz, Weinberger and Don Regan strongly opposed the arms transfers, followed by the note, "Against the law." McFarlane, Poindexter and the President are listed as "in favor." There is a further note: "no decision yet." There is then a discussion of McFarlane going to London, followed by, "[the President] said American people won't understand if 4 hostages died because I did not break the law."

Weinberger briefed Armitage who apparently briefed Arnie Rafel at State, who in turn briefed Chris Ross (of State) on what Weinberger had told him of the same meeting. His notes are consistent with Hill's, but more expansive:

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NLS F97-0666 #194

BY hvj DATE 3/17/06

On the legal issue, the President has said that the American people would understand if he broke the law to get the hostages back; they would not understand it if four hostages died because he refused to break the law. The President said, "they" could impeach him if they wanted; visiting hours in prison were on Thursdays. Weinberger pointed out that, in such a case, the President would not be alone.

The President noted in his diary that night that there was disagreement among the group and that no decisions were made that day; they were at a stalemate.

In his Tower Board interview on January 26, 1987 (Tab 1), the President recalled a meeting on December 7, 1985 at which the complex hostage plan proposed by the Iranians was discussed. This was the first time Secretaries Shultz and Weinberger's objections were "noted down" by the President. The discussion produced a stalemate. There is no reference in this interview of the legal issues.

Secretary Shultz has not been deposed by the Select Committees. He is scheduled to testify before the Committees on Thursday, July 23, and Friday, July 24, 1987. The designated hitters are Senators Inouye and Rudman, and Representatives Fασcell and Broomfield. The attorney is Mark Belnick. It appears he may be the first witness asked in detail about the Charlie Hill notes. In Shultz' Tower Board interview of January 22, 1987, (Tab 2), he discussed the December 7, 1985 meeting. He did not discuss the legal issues. He noted that no decision was made at that meeting, though the President seemed to be in favor of the Iranian project. Shultz is expected to testify that legal questions concerning the Arms Export Control Act were raised, and that the President was frustrated about these legal issues. In that context, the President said the people would not understand if he let the hostages die because he did not want to violate the law. Thereafter, the Attorney General was consulted and a legal manner of proceeding was implemented.

Secretary Weinberger has been deposed, but we have not been given a copy of the transcript. I have been told that he testified he did not recall the discussion referred to in the Charlie Hill notes. In his Tower Board interview on January 14, 1987 (Tab 3), he did not discuss the legal issues raised at the meeting. He said he had expressed his strong opposition and "went through a whole catalogue of things which didn't require any gift of prophesy as to what would happen if this became public." His impression was that the President had decided not to go forward.

Don Regan, in his Tower Board interview of January 7, 1987 (Tab 4), did not discuss the legal issues. However, he said that McMahon raised the question of the source of the formal authority to send arms. In his Senate Select Committee deposition on March 3, 1987 (Tab 5), he did not address the legal issues.

John McMahon, in his Tower Board interview of January 6, 1987 (Tab 6), does not discuss the legal issues. He notes, however, "There was no decision. We didn't walk away with any marching orders or any decision at that moment."

McFarlane discussed this meeting in his Tower Board interviews of December 11, 1986 (Tab 7) and February 19, 1987 (Tab 8), as well as in his testimony of May 11, 1987 (Tab 9). In his Tower Board interviews, the legal issue was not raised. In his testimony, he was asked if he recalled Weinberger saying it was not legal for Israel to be selling weapons subject to an agreement by the United States to replace them. He answered, "it doesn't stand out. However, he had made the point in law back in August of that year, and so it is very likely that he would make it again." He further testified that the President's view was that there should not be arms sales to the Iranians, but that he was "disappointed, frustrated that things had not gone better, but resigned to accepting that if that was the case, don't go ahead."

Poindexter, in his deposition of May 2, 1987 (Tab 10), discussed the meeting at length and noted that Shultz "thought there was a legal problem with regard to the Arms Export Control Act." Weinberger made similar arguments. At the end, the President said, "I think we ought to go ahead. As far as the hostages are concerned, I just couldn't sleep if we didn't pursue every possibility.... If we succeed in this, we will all be heroes; if we don't, it will be very difficult."

Liman then asked:

Q. He used more colorful language than that, didn't he?

A. I really can't recall his precise words. I don't sound like the President right now, so his words would have been different.

Q. Did he say visiting days would be on Thursday?

A. I don't recall. He may have said that. He is kind of anecdotal, but then he did go on to say -- he said, "But, you know," he said, "I'm convinced that if I ever have to explain this to the American public, I can do it... I feel very comfortable about it."

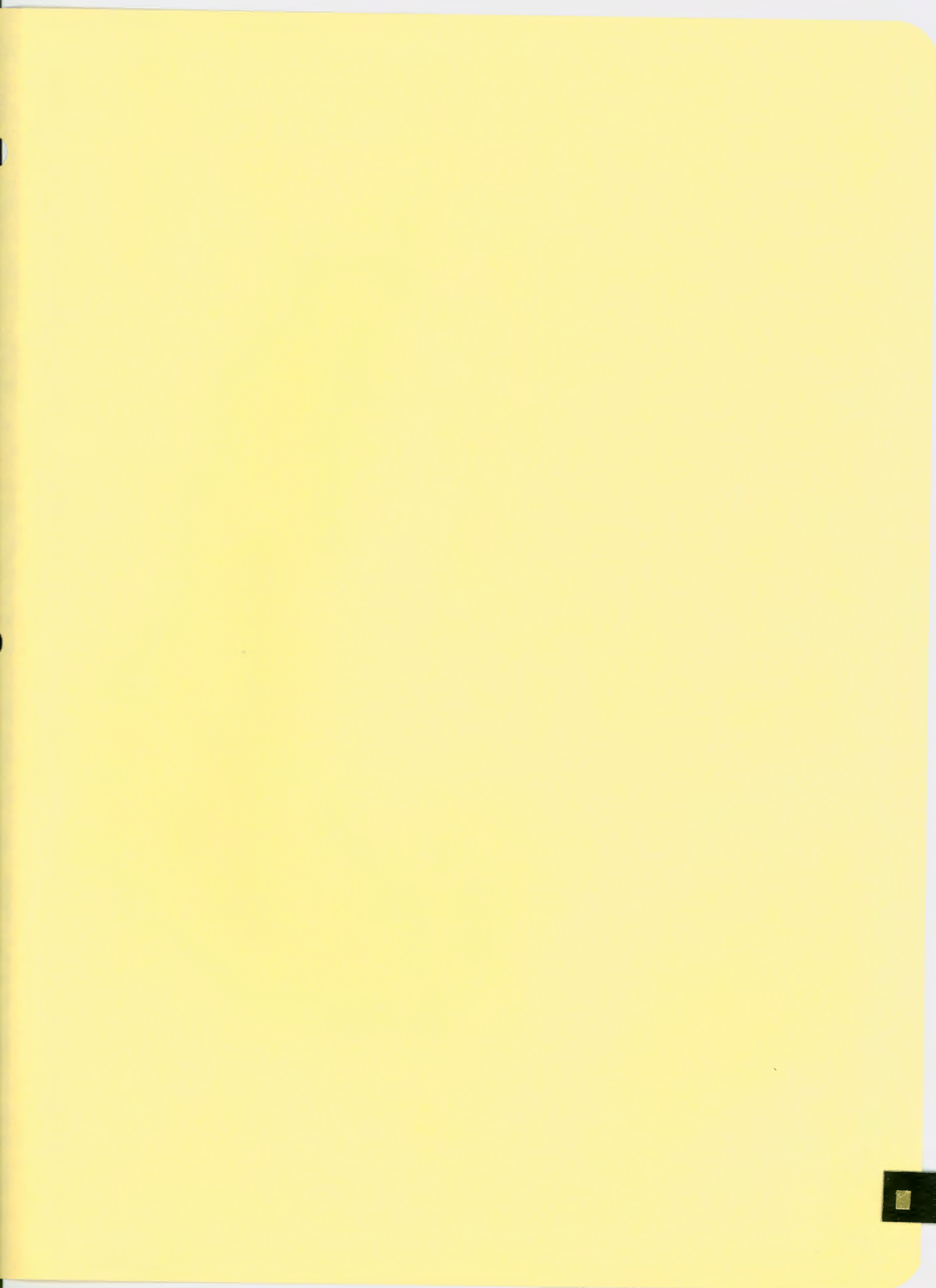
In his deposition of June 18, 1987 (Tab 11), Poindexter said Shultz and Weinberger "made such a big issue of the illegality of it" that in early December, he asked North to ask the Attorney General or his people about that problem, "because clearly if it were illegal we couldn't go ahead with it." In his public testimony of July 15, 1987 (Tab 12), Poindexter said that Shultz and Weinberger opposed the arms transaction for a number of reasons, including "that it was contrary to the Arms Export Control Act."

Richard Armitage was interviewed by the Tower Board on December 18, 1986 (Tab 13). He said Weinberger had backbriefed him after the meeting and that Shultz and he had strongly opposed going forward. Weinberger said, "we think we've strangled the baby in his cradle." Armitage said he had discussed this issue in advance with Arnie Rafel at State to insure that Shultz and Weinberger would be making the same argument.

The Tower Board Report's summary of the December 7, 1985 meeting is attached at Tab 14.

Index

Tab 1	President's Tower Board Interview - 1/26/87
2	Shultz's Tower Board Interview - 1/22/87
3	Weinberger's Tower Board Interview - 1/14/87
4	Regan's Tower Board Interview - 1/7/87
5	Regan's Deposition - 3/3/87
6	McMahon's Tower Board Interview - 1/6/87
7	McFarlane's Tower Board Interview - 12/11/86
8	McFarlane's Tower Board Interview - 2/19/87
9	McFarlane's Testimony - 5/11/87
10	Poindexter's Deposition - 5/2/87
11	Poindexter's Deposition - 6/18/87
12	Poindexter's Testimony - 7/15/87
13	Armitage's Tower Board Interview - 12/18/86
14	Tower Board Report, B-42-B-45



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DRAFT

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that. Senator Muskie noted that the law prohibits indirect as well as direct assistance. The President nodded he understood.

General Scowcroft noted that there has been much confusion about the Initiative. Mr. McFarlane has said you authorized the first shipment, and, Mr. President, now, so far as you know, you did not. How can we reconcile these two apparently conflicting statements? The President said he had "wracked his brain" about this. He commented that the wrong fellow had attempted suicide, noting that Mr. McFarlane was very honest. The President went on to point out that Mr. Regan was very firm in his memory that the President did not approve this earlier shipment. The more the President thinks about it, he cannot recall. He cannot recall ever saying, yes, to shipments to Iranians except January 17th which he remembers by the note in his diary on that date, "I agreed to sell arms to Iran."

Chairman Tower asked if he authorized replenishment after the fact. The President responded that, yes, he could have. (The President noted that he had just lost a battery presumably in his hearing aid; making a joke that when they go out the hearing aids are hearing stoppers.) The President looked again through his notes and in reading from them stated that in Geneva (in November) he might get word of hostage release; that on December 5 he notes that it is a complex undercover effort so secret that he would not write about it; then came December 7th,

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BY 401 NARA, DATE 3/17/06

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DRAFT

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and it turns out to be an Israeli plan with Secretary Shultz claiming we would be selling arms for hostages and the President said he claimed we were not.

Senator Muskie asked if anything like that December meeting with the principals ever occurred again. The President responded that he could not find a single note, and he has no memory of any other meeting.

Mr. Wallison intervened to tell the President that one of the things that jogged the President's memory was that he said he was surprised to learn of the Israeli shipment of arms. The memory, according to Wallison, gave the President a recollection. The President remarked that the aircraft was going to come back to Israel and had trouble, and he went on to review his notes.

Senator Muskie asked if the President recalled a meeting with Mr. McFarlane while he was in the hospital in July. The President said he had no recollection of a meeting in the hospital and there are no notes then. He continued to review his notes for July then into August mentioning a national security briefing on August 6, 1985, that his notes for August 5, 7, and 8 were not relevant; then to an August 23rd secure telephone call from Mr. McFarlane about Israeli Government officials who had told them that we could pick up all or part of our hostages on a beach north of Tripoli and the message came from the Iranian

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-13-

General Scowcroft asked if the President received any information about the shipment of HAWKS to Iran?

The President said that this was the shipment to which we objected. The President indicated that he could not remember how this came about. He told the Board to keep in mind that we were still a third party in this matter and that the Israelis were able to get the HAWK shipment returned from Iran. According to the President, the Iranian spokesman had later offered a cover story that the parts had been returned because they were antiquated.

Chairman Tower then asked if President Reagan could comment on Mr. McFarlane's trip to Iran in December and the President's meeting with Mr. McFarlane in Los Angeles on December 10? (Note to reader: This meeting occurs in Washington.)

The President explained that on December 7, there was a meeting with Messrs. Schultz, Weinberger, McMahon, Regan, Poindexter, Fortier, and McFarlane in attendance. The subject was the whole complex

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~~TOP SECRET/CRITICAL SENSITIVE/NODIS~~

-14-

hostage plan proposed by the Iranians. In short, Iranian officials wanted weapons to be delivered in installments after which they would release U.S. hostages. The President remembers that Secretaries Schultz and Weinberger objected to this approach, and that it was the first time he noted down their disapproval. According to the President, the discussion at the meeting produced a stalemate.

Mr. McFarlane flew to London with the following approach: The hostages should be released and no arms would be transferred. The President recalls someone suggesting at that meeting that the British might be a good middleman for such a initiative, since they were under no constraints.

According to the President, Mr. McFarlane returned on December 9, and stated that the Iranian agent had said that the U.S. approach would kill the hostages. Mr. McFarlane said the person he met with in England was a devious character. According to the President, Mr. McFarlane had no confidence in him whatsoever. Furthermore, Mr. McFarlane did not trust the Iranian plan and said, "No go."

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DON REGAN

14

1 new on the hostages? Anything going on? What about that
2 Iran connection? Anything going on there?

3 So that I could assume that Bud would think
4 there was a sense of urgency here to the extent that the
5 President was concerned about this and wanted something
6 done. He had suggested it. It was his initiative.
7 Something would have to break or not break here, you
8 know. He could assume, I suppose, that the President
9 wanted this. He hadn't raised Cain about the Israeli
10 shipment, so a second try might not be out of order.

11 I can only surmise that. Certainly there was
12 nothing said to the President in advance, at least in my
13 hearing, where it was said, now may we ship missiles to
14 Iran through Israel. That was not asked of the
15 President. The President, however, was told, as I say,
16 on the margins of his briefings for the Gorbachev meeting
17 to expect that there is going to be a shipment of arms
18 coming through Portugal, missiles, transshipped through
19 Israel into Iran, and the hostages will come out.

20 ~~Now, the December meeting got to be more formal~~
21 ~~because McMahon, among others, raised the question of,~~
22 ~~you know, what the hell are we doing here. Arms are~~
23 ~~being sent. Where is the formal authority? You know,~~
24 ~~what are we doing here? Is this going to be policy?~~

25 And, as a result of that meeting and people

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1 expressing views which now are commonly known, such as
2 State Department and Defense opposed to this. CIA was in
3 favor. NSC was in favor. And I must say that I favored
4 it. I won't deny that I favored keeping the channel
5 open, if necessary selling a modest amount of arms, in
6 order to make certain that we were having contacts with
7 Iran and at the same time, if as a result of this they
8 could influence the Hizbollah, as they had in the case of
9 Benjamin Weir, why not.

10 So I am not certain, but I think I probably
11 also reflect for the most part the President's view on
12 that.

13 Now, as a result of that December meeting, Bud
14 made another contact with the Iranians personally and
15 right after his return there was a meeting with the
16 President, and I believe Shultz, Weinberger and Casey
17 were present, to discuss what further should be done.
18 Bud led me to believe that this contact, while it wasn't
19 as good as they had originally hoped and that it wasn't
20 as productive a contact as they had hoped, and we weren't
21 getting any hostages out, we weren't really meeting with
22 anybody from the top side of the Iranian government.
23 And, accordingly, something different had to be tried.

24 CHAIRMAN TOWER: At this point were you aware,
25 was Bud aware, was the President aware that Ghorbanifar,

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1 whom McFarlane met with in London, had been on the CIA
2 burn list for almost three years?

3 MR. REGAN: No. That was not told to me until
4 much later. I cannot answer for the President. I doubt
5 it. That's all I can say for him. McFarlane I cannot
6 answer for. Now -- wait a minute. Let me back up a
7 minute here, John.

8 I am not certain whether McMahon made that on
9 the McMahon meeting.

10 CHAIRMAN TOWER: Well, that's the point. If
11 McMahon were there, they would have known.

12 MR. REGAN: I think McMahon may have said --
13 well, now I am not sure he said Ghorbanifar is on our
14 burn list, but I think he indicated that McFarlane's
15 contacts weren't that good and really that trustworthy.
16 I do believe that. But I had never heard the expression
17 "burn list", very frankly, until later '86, before I had
18 ever heard that word used in my presence. So I'm not
19 sure McMahon used that word.

20 But I do think -- yes, I really do think he did
21 indicate that those contacts weren't that good in the
22 December 7 meeting or whatever that meeting date was.

23 GENERAL SCOWCROFT: And at the second meeting
24 Bud said the contact wasn't that good, but he didn't say
25 drop the whole thing. Instead, he said we need to try

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THE PRESIDENT'S SPECIAL REVIEW BOARD

INTERVIEW OF JOHN McMAHON

10:00 a.m.

Tuesday, January 6, 1987

Conference Room 5026

New Executive Offices Building

Washington, D.C.

PRESENT:

BOARD MEMBERS:

HON. JOHN TOWER, Chairman

HON. EDMUND MUSKIE

GENERAL BRENT SCOWCROFT

STAFF MEMBERS:

W. CLARK McFADDEN, Esq.

RHETT DAWSON, Esq.

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1 Charlie. He recalls North making the statement to that
2 end.

3 Nothing really happened as far as Agency
4 support other than the normal intelligence support. The
5 next thing that I was aware of was conversations about
6 sending TOW missiles. The Agency at the time, including
7 the Director, was not sanguine with the idea of doing
8 this.

9
10 On the 7th of December -- I should go back and
11 note that there was a meeting in the President's
12 quarters. Present was the President, Secretary of
13 State, Secretary of Defense, Don Regan, Poindexter, and
14 myself and McFarlane.

15 At that meeting, McFarlane put forth the
16 proposition, which he said the Israelis had great
17 confidence in, that they have identified moderates in
18 Iran, that if we gave them munitions and military
19 assistance, that would strengthen the moderate hand, and
20 that would help possibly bring the Iranians closer to
21 the United States, and at the same time encourage them
22 to help out wherever they could on the hostage
23 situation.

24 The Secretary of State objected to this, as
25 did the Secretary of Defense. I pointed out that we had
no knowledge of any moderates in Iran, that most of the

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1 moderates had been slaughtered when Khomeini took over.
2 And I noted that, regardless of whether there were
3 moderates there or not, that any weapons we gave them
4 would end up in the front, and that would be to the
5 detriment of the Iran-Iraq balance.
6

7 The meeting went on a long time. ✓ The
8 President probed very carefully as to the opportunity,
9 and I must say it ended at 12:00 o'clock, when the
10 President had to leave to give his noonside chat on
11 radio, which he does every Saturday.

12 There was no decision. We didn't walk away
13 with any marching orders or any decision at that
14 moment. So for the rest of December, it was sort of
15 quiescent. ✓

16 Then in January is when I heard comments about
17 using TOW missiles and that they have deal or
18 arrangement.

19 GENERAL SCOWCROFT: You didn't know that Bud
20 was going to go to meet with them right after this
21 meeting?

22 MR. McMAHON: No, I did not know that at that
23 time. J

24 GENERAL SCOWCROFT: That was not discussed at
25 the meeting?

MR. McMAHON: No, I don't recall that being

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1
2 discussed. In retrospect, in looking at Bud's demeanor
3 in that meeting, I can't attest that he was an
4 advocate. He seemed more or less to be offering an
5 option to the President, saying here is an option that
6 you can explore in trying to get the Iranians closer to
7 us.

8 It was put in that vein. I can't say he was
9 pounding the tables, saying this was a thing we ought to
10 do. He was just setting forth an option.

11 GENERAL SCOWCROFT: At that meeting, do you
12 remember anybody clearly advocating, clearly
13 supporting? You identified a lot of objections.

14 MR. McMAHON: No. Don Regan, if I recall,
15 never said a word, and Poindexter said some, what I
16 would call supporting comments to the concept of doing
17 something to get closer to the Iranians.

18 The President did a lot of the interrogation,
19 so to speak, of the idea.

20 Then the next I recall being personally
21 involved, other than the hearsay that they were talking
22 about TOW missiles and things like this, was Poindexter
23 called me down the 24th of December -- I'm sorry, the
24 24th of January '86 -- and showed me a finding that the
25 President had signed dated the 17th of January where he
directed the Agency to support and facilitate and use